



*has earned the*



**rating for 2021 for  
FISCAL MANAGEMENT  
& FINANCIAL CONDITION**

*from the Texas Education Agency*



FINANCIAL INTEGRITY RATING SYSTEM OF TEXAS

**Dr. Martha Salazar-Zamora, Superintendent  
Jim Ross, Chief Financial Officer**



## Tomball Independent School District Annual Financial Accountability 2021 Management Report

The financial accountability rating report issued by the Texas Education Agency (TEA) is called the *Financial Integrity Rating System of Texas*, or **FIRST**. TEA issues this financial rating each year based on financial data required to be submitted to the Agency by each school district through the Public Education Information Management System (PEIMS). The PEIMS financial data of each school district is used to answer a series of specifically designed financial questions. The resulting financial ratings issued are A=Superior (90-100 points), B=Above Standard (80-89 points), C=Meets Standard (60-79 points), and F=Substandard Achievement (less than 60 points).

The primary assessment tool for the FIRST rating is the Financial Accountability Rating Worksheet. This worksheet is compiled by TEA and the indicators are being redesigned to create measurements desired by the Legislature and the Texas Education Agency to assess the overall financial condition of each school district, and the fiscal efficiency of district administrators.

The Financial Accountability Rating Worksheet for measuring the results of the 2019-2020 fiscal year contains twenty (20) indicator questions, some with multiple questions, assessing the 2019-2020 fiscal year of the District. Indicator questions 1 through 3 are considered to be critical indicators of financial condition and fiscal management, and are answered as either Yes or No. Indicator questions 7-15, and 18-19 are assigned a numerical score based on the numerical measurement used. Indicator questions 4, 6, 16, 17, and 20 are designed to measure a minimum threshold which can restrict the maximum score. Financial ratings are:



- ◆ A=Superior (90-100 points),
- ◆ B=Above Standard (80-89 points),
- ◆ C=Meets Standard (60-79 points), and
- ◆ F=Substandard Achievement (less than 60 points)

The 2021 School FIRST rating for Tomball ISD as reported by TEA is that of an **A** for "**Superior**"; with a score of **98** of the possible 100 points on the financial accountability rating worksheet, and receiving "**Yes**" on all critical indicators. Tomball ISD received the same top rating of "Superior Achievement" in all years since 2002, with a perfect School FIRST ratings score in all years but 2009 with 1 point lost, and now 2021 with 2 points lost. As the indicators become more narrowly focused lower numerical scores, and possibly lower than an **A** rating, will be the case in the future. The official TEA 2021 ratings worksheet follows with each of the indicator question answered for Tomball ISD along with an explanation of the financial meaning of the indicator.

**NOTE:** The wording used in the indicator questions, and the reason behind each question, can be confusing to non-accountants. Therefore, following the rating worksheet question is a brief explanation of what each indicator question means or measures, and how Tomball ISD actually scored on that indicator question.

## **2020-2021 RATINGS BASED ON SCHOOL YEAR 2019-2020 DATA**

**#1. Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?**

This indicator question is designed to identify whether our district has problems producing financial statements for auditors; and consequently, is able to submit an independently audited Annual Financial Report to TEA in a timely manner. The audit due date was December 28<sup>th</sup>, 2020 and TEA received our audit on November 13, 2020. The answer for Tomball ISD to this indicator is **YES** we passed.

**#2 Was there an unmodified opinion in the AFT on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion).**

A "Modified" opinion on our financial report means the District needs to correct some of its reporting or financial controls for a 'clean audit' opinion to be expressed by the independent auditors. Therefore, our district's goal is to receive an "Unmodified Opinion" on our Annual Financial Report. The answer for Tomball ISD to this indicator is **YES**, we have an Unmodified Opinion or 'clean audit'.

**#3. Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)**

This indicator question is designed to make certain that our district has paid our debt obligations in a timely manner on bonds issued for school construction. The answer for Tomball ISD to this indicator is **YES**.

**#4. Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district received a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments and will fail critical indicator 4. If the school district was issued a warrant hold, the maximum points and highest rating that the school district may receive is 95 points, A = Superior Achievement, even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days.)**

The question is clearly stated regarding the responsibilities. The answer for Tomball ISD to this indicator is **YES** payments have been timely, and the ceiling of 95 can be passed.

#5. This indicator is not being scored.

#6. Was the average change in (assigned and unassigned) fund balances over 3 years less than a 25 percent decrease or did the current year's assigned and unassigned fund balances exceed 75 days of operational expenditures? (If the school district fails indicator 6, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)

This indicator is measuring two values: one is the change in assigned and unassigned fund balances, the other is whether the assigned and unassigned fund balances exceeds a minimum of 75 days of operating expenses. The first value indicates an increase of assigned and unassigned fund balances of 24.09% which is lower than the 25% threshold measurement. The second value indicates that for 75 days of operating expenditures the District would need to have in assigned and unassigned fund balances at least \$28,779,116 and this amount was \$81,452,595. The ceiling for both measurements is passed.

[Ceiling Passed]

#7. Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? See ranges below in the Determination of Points section.

The Tomball ISD financial data for this indicator is used in a formula that adds together cash of \$7,347,073 and current investments of \$54,896,760 for a total of \$62,243,833. This total is then divided by the total expenditures for the year of \$140,058,364 and the result is multiplied by 365 to represent the number of day of operations. Using this indicator as written it appears Tomball ISD had sufficient cash on hand for 162 days of operations for the highest score shown in the table below. (Note: The question does not take into account there may be current liabilities that would reduce the asset of cash, and therefore this indicator could be misleading). The answer for Tomball ISD to this indicator is YES the general fund was sufficient to cover operating expenses.

[Score: 10]

10	8	6	4	2	0
>=90	<90 >=75	<74 >=60	<60 >=45	<45 >=30	<30

#8. Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? See ranges below in the Determination of Points section.

This indicator question measured Tomball ISD's current assets of \$324,861,541 against the current liabilities of \$61,736,365. Current assets exceed current liabilities by a ratio of 5.262 to 1. The answer for Tomball ISD to this indicator is YES there were assets sufficient to cover short term debt.

[Score: 10]

10	8	6	4	2	0
>=3.00	<3.00 >=2.50	<2.50 >=2.00	<2.00 >=1.50	<1.50 >=1.00	<1.00

**#9. Did the school district’s general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district’s number of days of cash on hand greater than or equal to 60 days?**

The answer is **YES** Tomball ISD’s total revenues of \$153,046,272 exceeded the total expenditures of \$140,058,364 for a surplus and is greater than 60 days cash on hand.

<b>10 points if greater than 0%</b>	<b>0 points if less than 0%</b>
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**[Score: 10]**

**#10. Did the school district average less than a 10 percent variance (90% to 110%) when comparing budgeted revenues to actual revenues for the last 3 fiscal years?**

The variance in budgeted revenues for the last 3 fiscal years is 3.83% with an acceptable variance of less than 10%. Tomball ISD’s answer to this indicator is **YES**, our budgeted variance is not greater than a 10% above or below budget.

**[Score: 10]**

<b>10 points if less than 10%</b>	<b>0 points if greater than 10%</b>
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**11. Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district automatically passes this indicator. See ranges below in the Determination of Points section.**

This indicator question is answered by taking the long term liabilities of \$640,665,053 and dividing that total by the total assets of \$775,393,417. The total is 0.83, and would have scored 4 points. Fortunately, the indicator allows for fast-growing districts to exclude this measurement, by observing fast-growth district must build for the growth they are currently experiencing and in planning for the future. In the past 5 years student enrollment has increased by 29.6%, therefore the answer is automatically **YES**.

<b>10</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>0</b>
<b>&lt;=0.60</b>	<b>&gt;0.60 &lt;=0.70</b>	<b>&gt;0.70 &lt;=0.80</b>	<b>&gt;0.80 &lt;=0.90</b>	<b>&gt;0.90 &lt;=1.0</b>	<b>&gt;1.00</b>

**[Score: 10]**

**12. Was the debt per \$100 of assessed property value ratio sufficient to support future debt repayments? See ranges below in the Determination of Points section.**

This is a new indicator and the thresholds chosen in the table below are questionable for what is experienced by a fast-growth district such as Tomball ISD. Debt is not paid in a single year, but instead over a period of years in which the property tax base will be growing. This measurement looks at paying all current debt as if growth in the property tax base no longer occurs in the future. A fast-growth district will typically lose points with this indicator, and if continuing to issue debt will experience higher point losses each year.

<b>10</b>	<b>8</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>0</b>
<b>&lt;=4</b>	<b>&gt;4 &lt;=7</b>	<b>&gt;7 &lt;=10</b>	<b>&gt;10 &lt;=11.5</b>	<b>&gt;11.5 &lt;=13.5</b>	<b>&gt;13.5</b>

**[Score: 8]**

**13. Was the school district's administrative cost ratio equal to or less than the threshold ratio? See ranges below in the Determination of Points section.**

This indicator question measures the percentage of the budget that a Texas school district spends on administration based on the size of the district. This ratio takes administrative costs and divides them by instructional costs to arrive at this percentage. Tomball ISD's Administrative Cost Ratio (ACR) is 0.0714 and well below the state normal percentage for a district our size. Tomball ISD's answer to this indicator is **YES**, we strictly control our administrative costs. **[Score: 10]**

ADA Size	10	8	6	4	2	0
10,000 and Above	$\leq 0.0855$	$> 0.0855 \leq 0.1105$	$> 0.1105 \leq 0.1355$	$> 0.1355 \leq 0.1605$	$> 0.1605 \leq 0.1855$	$> 0.1855$
5,000 to 9,999	$\leq 0.1000$	$> 0.1000 \leq 0.1250$	$> 0.1250 \leq 0.1500$	$> 0.1500 \leq 0.1750$	$> 0.1750 \leq 0.2000$	$> 0.2000$
1,000 to 4,999	$\leq 0.1151$	$> 0.1151 \leq 0.1401$	$> 0.1401 \leq 0.1651$	$> 0.1651 \leq 0.1901$	$> 0.1901 \leq 0.2151$	$> 0.2151$
500 to 999	$\leq 0.1311$	$> 0.1311 \leq 0.1561$	$> 0.1561 \leq 0.1811$	$> 0.1811 \leq 0.2061$	$> 0.2061 \leq 0.2311$	$> 0.2311$
Less than 500	$\leq 0.2404$	$> 0.2404 \leq 0.2654$	$> 0.2654 \leq 0.2904$	$> 0.2904 \leq 0.3154$	$> 0.3154 \leq 0.3404$	$> 0.3404$
Sparse	$\leq 0.3364$	$> 0.3364 \leq 0.3614$	$> 0.3614 \leq 0.3864$	$> 0.3864 \leq 0.4114$	$> 0.4114 \leq 0.4364$	$> 0.4364$

Additional Information:

The 2020 School FIRST rating for this indicator is based on a student enrollment greater than 10,000. Since this indicator is measuring the often contentious issue of administrative costs and salaries, it seems important to demonstrate how the ACR has remained relatively unchanged over the years. In a time of rising salaries and increased costs there has been a conscious and concerted effort to hold steady with the administrative cost ratio at Tomball ISD. The measurement methodology used to determine this ratio has not been changed since 1999. TEA has officially released the following ACR percentages for Tomball ISD in previous FIRST reports:

<u>Fiscal Year Ending</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Admin Cost Ratio %	6.86	6.60	6.59	6.93	6.43	6.58	6.56	7.22	7.14

**#14. Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)**

This indicator measured the student to staff ratio for 2019-2020 at 8.18 students to 1 staff. Compared to three years earlier the 2017-2018 student to staff ratio was 7.56 students to 1 staff. Also student enrollment did not decrease so Tomball ISD automatically passes and the answer to this indicator is **YES**. **[Score: 10]**

<b>10 points if YES</b>	<b>0 points if NO</b>
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**#15. Was the school district's ADA within the allotted range of the district's biennial pupil projection(s) submitted to TEA? If the district did not submit pupil projections to TEA, did it certify TEA's projections? See ranges below in the Determination of Points section.**

Tomball ISD projected it would have 17,045 students in the previous biennial pupil projections submitted to TEA. The actual amount was 17,410 which is a variance of only 2.14%. That amount easily falls within the threshold indicated in the table of not greater than or less than 7% variance. Tomball ISD receives all points for this indicator.

ADA Size	5	0
10,000 and above	<=0.07	>0.07
5,000 to 9,999	<=0.10	>0.10
1,000 to 4,999	<=0.20	>0.20
500 to 999	<=0.25	>0.25
Less than 500	<=0.30	>0.30
Sparse	<=0.35	>0.35

**[Score: 5]**

**#16. Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function? (If the school district fails indicator 16, the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)**

This indicator measures whether the data reported in our PEIMS submission and our Annual Financial Report (AFR) 'matches up' to within 3 percent. Tomball ISD reported a total of \$140,058,370 in expenditures for all funds, and had a total data submission matching variance of only \$160. The answer for Tomball ISD to this indicator is **YES**.

<b>10 points if less than 3%</b>	<b>0 points if greater than 3%</b>
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**[Ceiling Passed]**

**#17. Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.) (If the school district fails indicator 17, the maximum points and highest rating that the school district may receive is 79 points, C = Meets Standard Achievement.)**

This indicator is asking if the internal controls are sufficient and did the auditor believe the District free of any weaknesses with controls. The answer for Tomball ISD is **YES**, our independent auditors have not identified and reported internal control weaknesses.

<b>10 points if YES</b>	<b>0 points if NO</b>
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**[Ceiling Passed]**

**#18. Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)**

Material noncompliance identified in an audit report indicates funds were expended that were not allowable by the grant or law. The answer for Tomball ISD to this indicator is **YES**, our independent auditors have not identified and reported material noncompliance.

<b>10 points if YES</b>	<b>0 points if NO</b>
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**[Score: 10]**

**#19. Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?**

The answer is **YES** and all points are awarded.

<b>5 points if YES</b>	<b>0 points if NO</b>
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**[Score: 5]**

**#20. Did the school board members discuss the district's property values at a board meeting within 120 days before the district adopted its budget? (If the school district fails indicator 20 the maximum points and highest rating that the school district may receive is 89 points, B = Above Standard Achievement.)**

This indicator is answered each year in the budget workshops held publically at Board Workshop meetings. The answer is **YES**.

**[Ceiling Passed]**



## **SUMMARY**

The Financial Integrity Rating System of Texas for 2021 uses twenty financial indicator questions to assess the quality of fiscal management and the financial condition of our school district. In this fiscal year there were six new questions added with four being questions that affect the outcome of the entire report with maximum scores possible. Tomball ISD received a score of 98 with the highest possible of 100. This score released by the Texas Education Agency officially confirms the financial management practices and fiscal condition of Tomball ISD are sound and the district has passed this financial review.

The FIRST rating is the tool used by the Texas Education Agency to measure fiscal management and condition. However, this assessment tool does not examine the quality of financial reporting and disclosure to user groups. For the benefit of the public being served, understandable and descriptive annual financial reports that have been independently audited for accuracy should be provided by the district.

The highest recognition in governmental finance reporting is receiving a ***Certificate for Excellence in Financial Reporting*** for annual financial reports from the Association of School Business Officials, International (**ASBO**) or the Government Finance Officers Association (**GFOA**). Both of these associations are dedicated to enhancing the professional financial management of governments by identifying, recognizing and promoting the highest quality financial reporting practices of governmental entities. Annual financial reports submitted for review to these two associations are subjected to very stringent and discerning requirements. Only the best in format and disclosure will receive the ***Certificate for Excellence in Financial Reporting***.

For the 2019-2020 fiscal year - the year of review for this FIRST rating - Tomball ISD received the ***Certificate for Excellence in Financial Reporting*** from both GFOA and ASBO for the 22nd consecutive year. For the 2019-2020 fiscal year 31 of the 1,020 school districts in Texas received the ***GFOA Certificate for Excellence in Financial Reporting***, 28 received the ***ASBO Certificate for Excellence in Financial Reporting***, and only 23 received this award from both associations. Only **2.25%** of Texas school districts received such recognition from both associations for the preparation of financial reports for 2019-2020, and very few districts can boast of receiving *both* GFOA and ASBO recognition for 22 consecutive years.

Prior to issuing bonds the District has been reviewed financially by the national rating agencies of Standard & Poor's and Moody's. These reports can be found online and are a much stronger indicator of actual financial condition. Standard & Poor's recognizes Tomball ISD's financial strength as AA+ rating. In Texas only **2.55%** of 1,020 school districts have an **AA+** rating with S&P. Moody's Investor Services recognizes Tomball ISD's financial strength as **Aa1**, which is equivalent to the AA+ S&P rating and only **1.60%** have this rating. Another measure of efficiency is the Texas Smart Schools results that designate Tomball ISD as a 5-Star district for the highest academic results at the lowest cost for similar size and demographics. Only 28 independent school districts received this 5-Star rating.

## DISCLOSURES

Annual disclosures in accordance with Title 19 Texas Administrative Code Chapter 109, Budgeting, Accounting, and Auditing Subchapter AA, *Commissioner’s Rules Concerning Financial Accountability Rating System* have been added for increased “transparency”. The Commissioner’s Rule concluded that TEA has the discretionary authority to add to the specific disclosures if desired. The disclosures and the format that are included in the financial management report are those required by the Commissioner for the year of review and are:

- (A) a copy of the superintendent's most current employment contract, attached to this financial management report and available upon request;
- (B) a summary schedule for the fiscal year (12-month period) of total reimbursements received by the superintendent and each board member. The summary schedule separately reports reimbursements for meals, lodging, transportation, motor fuel, and other items (the summary schedule of total reimbursements is not to include reimbursements for supplies and materials that were purchased for the operation of the school district);

Reimbursements for the 12-month period ending June 30, 2021	Dr. Martha Salazar-Zamora, Superintendent	Matt Schiel, President	Kathy Handler, Vice President	Lee McLeod, Secretary	John E. McStravick, Assistant Secretary	Mark Lewandowski, Trustee	Justin Unser, Trustee	Michael Pratt, Trustee
<i>Meals</i>	4,146							
<i>Lodging</i>	2,899							
<i>Transportation</i>	1,692							
<i>Motor Fuel</i>	2,720							
<i>Other</i>	7,624							
<b>TOTAL</b>	<b>\$ 19,081</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**Note** - All “reimbursements” expenses, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order,

**Items to be reported per category include:**

**Meals** – Meals consumed out of town, and in-district meals at area restaurants (outside of board meetings, excludes catered board meeting meals)

**Lodging** – Hotel charges

**Transportation** – Airfare, car rental (can include fuel on rental, taxis, mileage reimbursements, leased cars, parking and tolls)

**Motor fuel** – Gasoline

**Other** – Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of ) to the superintendent and board member not defined above

- (C) a summary schedule for the fiscal year of the dollar amount of compensation and/or fees received by the superintendent from another school district or any other outside entity in exchange for professional consulting and/or other personal services. The schedule separately reports the amount received from each entity;

Name(s) of Entity(s) paying compensation or fees to the Superintendent for services for the 12-month period ending June 31, 2021	Dr. Martha Salazar-Zamora, Superintendent
	<b>\$ 0</b>

**(D)** a summary schedule for the fiscal year of the total dollar amount by the executive officers and board members of gifts that had an economic value of \$250 or more in the aggregate in the fiscal year. This reporting requirement only applies to gifts received by the school district's executive officers and board members (and their immediate family as described by Government Code, Chapter 573, Subchapter B, as a person related to another person within the first degree by consanguinity or affinity) from an outside entity that received payments from the school district in the prior fiscal year, and gifts from competing vendors that were not awarded contracts in the prior fiscal year. This reporting requirement does not apply to reimbursement of travel-related expenses by an outside entity when the purpose of the travel is to investigate or explore matters directly related to the duties of an executive officer or board member, or matters related to attendance at education-related conferences and seminars whose primary purpose is to provide continuing education (this exclusion does not apply to trips for entertainment related purposes or pleasure trips). This reporting requirement excludes an individual gift or a series of gifts from a single outside entity that had an aggregate economic value of less than \$250 per executive officer or board member;

Gifts that aggregate at or over \$250 for the 12-month period ending June 30, 2021	Dr. Martha Salazar-Zamora, Superintendent	Matt Schiel, President	Kathy Handler, Vice President	Lee McLeod, Secretary	John E. McStravick, Assistant Secretary	Mark Lewandowski, Trustee	Justin Unser, Trustee	Michael Pratt, Trustee
<i>Summary Amounts</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**(E)** a summary schedule for the fiscal year of the dollar amount by board member for the aggregate amount of business transactions with the school district. This reporting requirement does not duplicate the items disclosed in the summary schedule of reimbursements received by board members;

Business Transactions between Board Members and the school district for the 12-month period ending June 30, 2021	Matt Schiel, President	Kathy Handler, Vice President	Lee McLeod, Secretary	John E. McStravick, Assistant Secretary	Mark Lewandowski, Trustee	Justin Unser, Trustee	Michael Pratt, Trustee
<i>Summary Amounts</i>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0









necessary to maintain and improve the Superintendent's professional skills. The District shall bear the reasonable costs and expenses for such attendance or membership.

**3.8 Outside Consultant Activities.** Except as specifically provided in this Section, the Superintendent shall not serve as a consultant or receive a reimbursement of expenses and/or be paid an honorarium for consultant services outside of her employment as Superintendent of the District.

3.8.1 Notwithstanding the general prohibition on outside consulting services contained herein, the Superintendent may serve as an adjunct professor or professional advisor, and accept a reimbursement of expenses and/or be paid for services, to Texas A&M University and/or Baylor University (the "*University Professional Services*").

3.8.2 The Superintendent represents that the University Professional Services does not, and covenants and agrees that it will not in the future, conflict or interfere with the Superintendent's professional responsibilities to the District and that it is consistent with state and federal law.

3.8.3 The Superintendent covenants and agrees to use personal leave (local, state, vacation, non-duty days), not to exceed five (5) days during any Contract Year (as such term is defined in Section 1.1 hereof), for all services provided under or in any way pertaining to the University Professional Services. The Superintendent further covenants and agrees to schedule such days to avoid times when material programs and events are scheduled or occur in the District. The Superintendent shall provide the then serving Board President with prior notice of the days used in connection with the University Professional Services.

**3.9 Civic Activities.** The Superintendent is encouraged to participate in community and civic affairs including Chambers of Commerce and civic clubs within or affecting the District. The Board concludes that such participation will serve a legitimate purpose related to the educational mission of the District. The Superintendent may hold offices or accept responsibilities in these professional organizations, provided that such responsibilities do not interfere with the performance of her duties as Superintendent. Prior to engaging in these activities, the Superintendent will notify the Board President in writing of the activity. The Board President will notify the Superintendent if the activity presents a conflict or interferes with the performance of her duties as Superintendent. The memberships and other reasonable expenses of the Tomball Area Chamber of Commerce, Tomball Rotary Club, and/or other Tomball area based organizations shall be borne by the District. The Board may approve the payment of other memberships and expenses requested by the Superintendent.

#### **IV. Annual Performance Goals**

**4.1 Development of Goals.** The Superintendent and the Board President, or designee, shall develop annual performance goals for the Superintendent that shall be submitted to the Board for consideration and adoption. The performance goals approved by the Board shall at all times be reduced to writing ("District Goals") and shall be reasonably related to the District's goals, mission and/or vision as set by the Board. The District Goals approved by the Board shall be specific, definitive and measurable, to the extent feasible. The Board agrees to work with and support the Superintendent in achieving the District Goals.



## **V. Review of Performance**

**5.1 Time and Basis of Evaluation.** The Board shall evaluate and assess in writing the performance of the Superintendent at least once each contract year during the term of this Contract. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in the Superintendent's job description and shall include the District's progress towards accomplishing the District Goals.

**5.2 Confidentiality.** Unless the Board and the Superintendent expressly agree otherwise in writing, the evaluation of the Superintendent shall at all times be conducted in closed or executive session and shall be considered confidential to the extent permitted by law. Nothing herein shall prohibit the Board or the Superintendent from sharing the content of the Superintendent's evaluation with their respective legal counsel.

**5.3 Evaluation Format and Procedure.** The evaluation format and procedure shall be in accordance with the Board's policies and state and federal law. In the event that the Board determines that the performance of the Superintendent is unsatisfactory in any respect, it shall describe in writing, in reasonable detail, specific instances of unsatisfactory performance. The evaluation shall include recommendations as to areas of improvement in all instances where the Board deems performance to be unsatisfactory. A copy of the written evaluation shall be delivered to the Superintendent. The Superintendent shall have the right to make a written response to the evaluation within thirty (30) days of receipt of the written evaluation from the board. That response shall become a permanent attachment to the evaluation in the Superintendent's personnel file. Within sixty (60) days of the delivery of the written evaluation to the Superintendent, the Board shall meet with the Superintendent to discuss the evaluation. The Board shall devote a portion of, or all of, one executive session annually to a discussion of the working relationship between the Superintendent and the Board. In the event the Board deems that the evaluation instrument, format, and/or procedure is to be modified by the Board and such modifications would require new or different performance expectations, the Superintendent shall be provided a reasonable period of time to demonstrate such expected performance before being evaluated.

## **VI. Renewal and Nonrenewal of Employment Contract**

**6.1 Renewal/Nonrenewal.** Renewal or nonrenewal shall be in accordance with Board policy and applicable law.

## **VII. Termination of Employment Contract**

**7.1 Mutual Agreement.** This Contract may be terminated by mutual written agreement of the Superintendent and the District, acting through the Board, upon such terms and conditions as may be mutually agreed upon.

**7.2 Retirement or Death.** This Contract shall be terminated upon the retirement or death of the Superintendent.

**7.3 Dismissal for Good Cause.** The District, acting through the Board, may dismiss the Superintendent during the term of the Contract for good cause. The term "good cause" is defined as follows:

- (a) Failure to fulfill duties or responsibilities as set forth under the terms and conditions of this Contract;
- (b) Incompetence or inefficiency in the performance of required or assigned duties as documented by evaluations, supplemental memoranda, or other written communication from the Board; provided, however, the terms and conditions of this paragraph shall not justify good cause unless the Board has provided the Superintendent a reasonable opportunity to remediate any incompetency or inefficiency;
- (c) Insubordination or failure to comply with lawful written Board directives;
- (d) Failure to comply with the Board's policies or the District's administrative regulations;
- (e) Neglect of duties;
- (f) Drunkenness or excessive use of alcoholic beverages;
- (g) Illegal use of drugs, hallucinogens, or other substances regulated by the Texas Controlled Substances Act;
- (h) Conviction of a felony or crime involving moral turpitude;
- (i) Failure to meet the District's standards of professional conduct;
- (j) Failure to comply with reasonable District professional development requirements regarding advanced course work or professional development;
- (k) Disability, not otherwise protected by law, that impairs performance of the required duties of the Superintendent;
- (l) Immorality, which is conduct the Board determines is not in conformity with the accepted moral standards of the community encompassed by the District. Immorality is not confined to sexual matters, but includes conduct inconsistent with rectitude or indicative of corruption, indecency, or depravity;
- (m) Assault on an employee or student;
- (n) Knowingly falsifying records or documents related to the District's activities;
- (o) Conscious misrepresentation of facts to the Board or other District officials in the conduct of the District's business;
- (p) Failure to fulfill requirements for superintendent certification;
- (q) Misrepresentation made by Superintendent in this Contract;
- (r) Failure of any covenant made by Superintendent in this Contract; or,
- (s) Any other reason constituting "good cause" under Texas law.

**7.4 Termination Procedure.** In the event that the District, acting through the Board, terminates this Contract for "good cause," the Superintendent shall be afforded the rights as set forth in the Board's policies and applicable state and federal law.

## **VIII. Miscellaneous**

**8.1 Controlling Law.** This Contract shall be governed by, and interpreted and enforced in accordance with, the laws of the state of Texas and shall be performable in Harris County, Texas, unless otherwise provided by law.

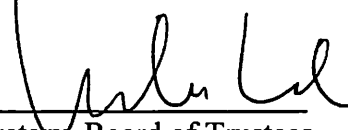
**8.2 Complete Agreement.** This Contract embodies the entire agreement between the parties and cannot be varied except by mutual written agreement of the parties except as expressly provided herein.

**8.3 Savings Clause.** In the event any one or more of the provisions contained in this Contract shall, for any reason, be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. All existing agreements and contracts, both verbal and written, between the parties regarding the employment of the Superintendent have been superseded by this Contract, and this Contract constitutes the entire agreement between the parties unless amended pursuant to the terms of this Contract.

**8.4 Conflicts.** In the event of any conflict between the terms, conditions, and provisions of this Contract and the provisions of the Board's policies, or any permissive state or federal law, then, unless otherwise prohibited by law, the terms of this Contract shall take precedence over the contrary provisions of the Board's policies or any such permissive law during the term of the Contract.


EXECUTED this 12<sup>th</sup> day of August, 2021.

ATTEST:

By:   
Secretary, Board of Trustees

TOMBALL INDEPENDENT SCHOOL DISTRICT

By:   
President, Board of Trustees

By:   
Dr. Martha Salazar-Zamora  
Superintendent of Schools